

The President's Daily Brief

August 28, 1976

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Top Secret^{25X1}*



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FOR THE PRESIDENT ONLY

August 28, 1976

Table of Contents

Egypt-Libya: Cairo is continuing its military build-up on the
Libyan border. The press in Tripoli is warning of the pos-
sibility of an Egyptian attack. (*Page 1*)

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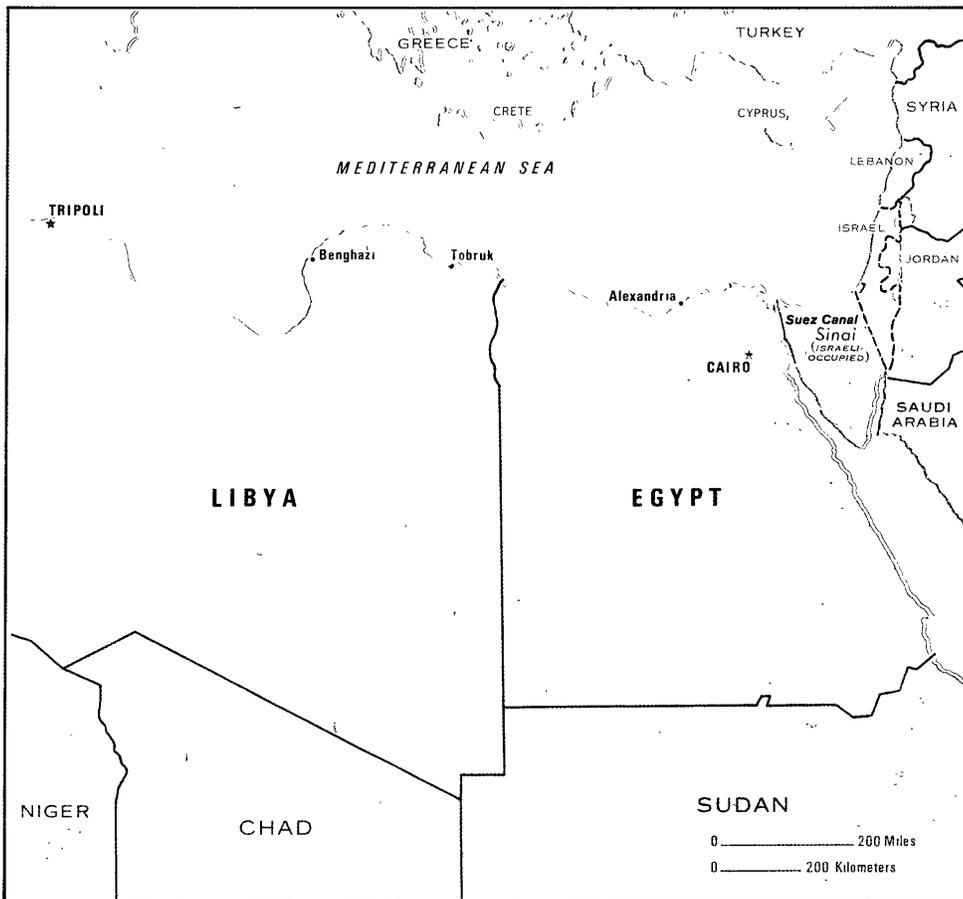
Lebanon:

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France: The new cabinet appointed yesterday is unlikely to make
any major policy changes. (*Page 5*)

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EGYPT-LIBYA: *Egypt is continuing its military preparations on the Libyan border.*

We have further evidence that the Egyptians have begun to move main ground force units to the Libyan border. On Thursday, the US ambassador saw 10 Egyptian tanks on rail cars headed west from Alexandria. We do not yet know to which unit the equipment belongs. It could be a part of the force that was scheduled to begin moving from the Suez Canal area on Thursday.

Cairo is also continuing its efforts to intimidate President Qa25X1 dhafi. Foreign Minister Fahmi said in an interview yesterday that he considers that "Qadhafi's25X1 presence on the Arab map is undesirable." [redacted]

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Libya continues to take military precautions in light of the deteriorating situation with Egypt.

Libyan fighter aircraft at Benghazi were ordered on Thursday to fly reconnaissance missions along the northeastern Libyan coast. The missions were to be flown twice daily until further notice.

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Flights on Libyan C-130 transports to Tobruk, near the Egyptian border, also have continued. We do not know the purpose of the flights, but the Libyans could be stockpiling ammunition and supplies in the border area.

Recent Tripoli newspaper editorials have emphasized that war with Egypt may be imminent.

Editorialists cite as their evidence the Egyptian buildup on the border, President Sadat's rejection of all mediation attempts during the nonaligned summit, and the alleged upsurge in Egyptian subversion attempts in Libya.

One editorial has suggested that all of the approximately 250,000 Egyptians working in Libya will be expelled in the event of an Egyptian attack, and a US embassy source in Tripoli reports that Qadhafi recently asked ministry heads to study the probable impact on their departments if Egyptian functionaries are removed.

It is unlikely that all Egyptian workers would be sent home, but the Libyans might be considering the expulsion of a symbolic number to serve as a warning to Egypt.

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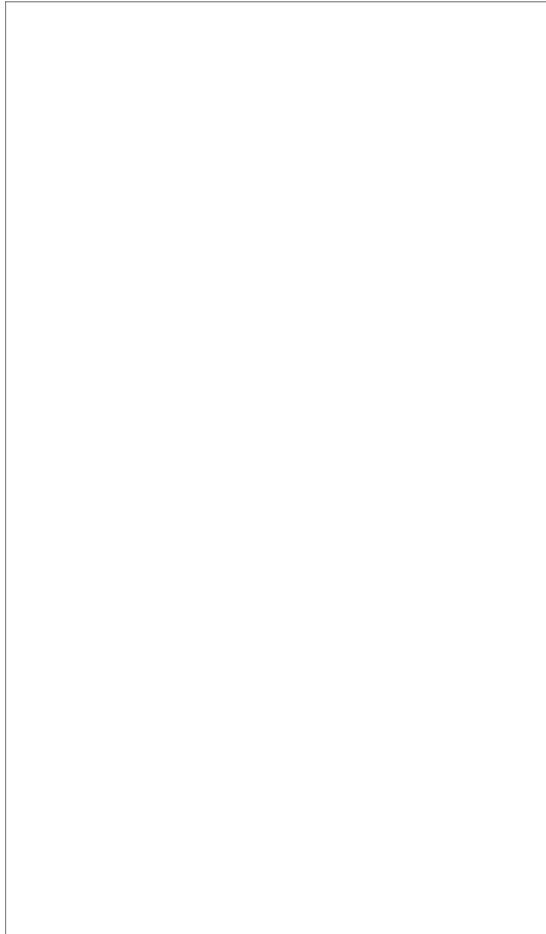
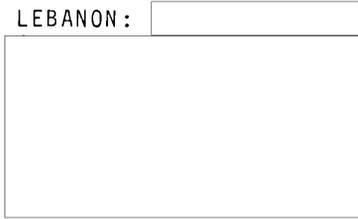
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LEBANON :



Arab League mediators in Beirut are continuing to meet with leaders of both sides in order to advance their own peace plan.

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According to one account, the plan includes a requirement that Syria will pull its troops back from Sawfar and Jazzin, with Arab League forces taking their places. This provision may have already disrupted the negotiations. A meeting between the League mediators

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and Christian leaders yesterday was described by the leftist radio as "not positive."

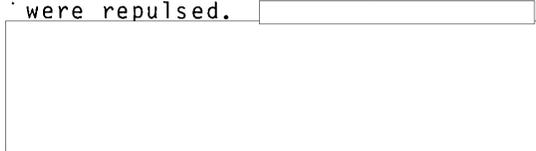
Meanwhile, as of Thursday, 10 of the required 11 Arab countries had officially notified the Arab League of their willingness to attend a summit meeting. Several countries, including Saudi Arabia and Egypt, who have publicly endorsed the summit, have delayed formal responses. There has been no decision about a time or place for holding a summit.

There were exchanges of fire along Beirut's confrontation lines yesterday.

Most of the action was centered in Ayn Rummanah and the southern suburbs near the airport. Activity in the mountains east of Beirut continued to be limited to artillery fire.

The leftist press has reported that units of President Franjiah's militia attacked several villages on the outskirts of Tripoli but were repulsed.

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The unofficial Soviet Afro-Asian People's Solidarity Committee on August 26 called for the withdrawal of Syrian troops from Lebanon. A Moscow radiobroadcast yesterday said that a Syrian withdrawal would be "important for normalizing the situation."

This is the first time that Moscow has floated such explicit statements, which presumably reflect the Soviets' increasing concern over the Palestinians' declining fortunes. These pronouncements may be a step toward official government advocacy of Syrian withdrawal, which would be a significant change in Soviet policy. The

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Soviets do not want to antagonize the Syrians more than necessary, however, and may have chosen unofficial means to register support for the Palestinians.

The Committee's statement also stressed that it is the "Soviet people" calling for the Syrian withdrawal; this avoids for now any reference to the Soviet government.

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FRANCE: *The new cabinet named yesterday generally maintains the political balance of its slightly larger predecessor, although the Gaullists and Centrists did lose some ground. Many officials hold the same or similar posts, and major policy changes are unlikely.*

The appointment of Prime Minister Raymond Barre, a technocrat and the first non-Gaullist to hold the post under the Fifth Republic, tends to move the government a step closer to the center-left and to strengthen President Giscard's personal control.

The Gaullists--who hold the largest block of the governing coalition's seats in the Assembly--were mollified especially by the appointment of Olivier Guichard as justice minister, generally considered the government's number-two post. Guichard is considered a moderate and has good relations with members of other parties. His presence in the cabinet may make it more difficult for former prime minister Chirac to criticize the government.

Giscard's Independent Republicans continue to be represented at the top by Interior Minister and Minister of State Michel Poniatowski, who is the President's close friend and collaborator, and by Industry Minister Michel d'Ornano.

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Giscard's designation of career diplomat Louis de Guiringaud as foreign minister indicates that the President intends to continue to dominate foreign policy, but wants a tough negotiator to carry out his orders. De Guiringaud reportedly is an expert on third world affairs, an area on which the President is said to believe France must concentrate.

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